GOVERNMENT OF INDIA
FINANCE
LOK SABHA

UNSTARRED QUESTION NO:1833
ANSWERED ON:25.11.2016
NBFC Licence
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Will the Minister of FINANCE be pleased to state:

(a) whether the Reserve Bank of India has cancelled the registration of Non-Banking Financial Companies (NBFC) during the current year;

(b) if so, the details thereof along with the number of NBFC have surrendered their licences till now during the current year; and

(c) the steps taken by the Government in this regard?

Answer

The Minister of State in the Ministry of Finance

(a) to (c): Reserve Bank of India has informed that they have cancelled the registration of 44 non-banking financial companies on supervisory concerns and 71 on voluntary grounds during the current year (from April 1, to November 18, 2016). NBFC registered with RBI surrender their Certificate of Registration (CoR) voluntarily if the NBFC desires to undertake non-financial business or mergers with another financial company to undertake NBFI business as provided under RBI Act, 1934 or with a non-financial company to undertake a different line of business. RBI cancels the CoR on supervisory grounds, only if the registered NBFC fails to adhere to the terms and conditions under which the CoR is issued despite providing the NBFC adequate opportunity to rectify the deficiency. This measure is taken to ensure that all NBFCs registered with RBI function in a healthy manner contributing to the growth of the sector but within the regulations framed by RBI for the sector. The cancellation of CoR of such delinquent NBFCs is to make the sector strong and complaint with the regulations.
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